DIGITAL MEDIA & DIRECT MAIL

What is Digital Media?

Digital media are channels of communication that join the logic of multimedia formats with the electronic system capabilities and controls of modern telephone, television, and computer technologies.

- *Mass audience venue* is digital media based on audience size, where hundreds of people are in the live audience and millions more are watching at home. Example: Academy Awards
- *Private audience venue* is digital media based on audience size, where meetings, conferences, and seminars use computer-driven multimedia presentations to inform, persuade, remind, and entertain people.
- *Personal audience venue* is digital media based on audience size, where on person in front of a personal computer can receive multimedia information. Example: person receives information via Internet at their personal computer *Interactive TV* is a personal audience venue where people can personally guide TV programming through a remote control box while watching TV.
- *Digital interactive media* includes Internet and all its associated online services, CD-ROM catalogs and magazines, stand-alone kiosks, cellular telephone systems, and interactive television.

Role of Digital Media in Advertising

As IMC increases, digital media gives marketers new ways to reach prospects and current customers and begin or improve a relationship. The media can act as the ad. It may be a multimedia sales presentation or a dedicated kiosk offering information about one company's wares.

Media acts as a form of narrowcasting, in which advertisers can buy space or time for their commercial announcements. This may include electronic billboards, web pages, or pop-up ads.

The challenge with digital media advertising will be to keep current with new technologies.

Writing for the Web

In order to build and enhance brand value, company websites should provide e-fluentials (people who use the Internet extensive and tell other people their opinions) with straightforward, easy-to-use information. Research has found that people don't really read a website -- they scan it. Web pages need to be sectioned and organized but not overly subdivided. Offering important links to other sections or sites is helpful. Bragging and boasting on a website tends to turn consumers off.

Websites should always offer interactivity -- a way for the reader to respond, either through e-mail or Web response forms.

Characteristics of Good Websites
- Written concisely
- Scannable
- Written in an objective rather than promotional style

The Internet as a Medium

The Internet is the fastest-growing medium in history. It began in early 1960s as a U.S. Department of Defense tool. During 1980s, commercial online services, like AOL, created local *electronic bulletin boards (BBS)*. With the introduction of the first web browser in 1994, the Internet became user-friendly with true multimedia capabilities, rather than text-based pages. It enables businesses/organizations to develop and nurture relationships with their customers/stakeholders on global scale at a very efficient cost.

Marketers realized the usefulness of search engines in advertising because many millions of people pass through the major search engines each month. Marketers have to provide information that is useful and relevant and have to keep updating that information to get repeat visits. The diverse demographics of Internet audiences -- used by business men/ women, children, seniors, ethnic populations, etc. -- make it very appealing.

Websites

Websites are alternative "storefronts" -- locations where customers, prospects, and other stakeholders can find out more about a company, its products and services, and what it stands for -- that serve as advertisements. A website consists of a home page and an indefinite number of web pages.

Banners & Buttons

Banners are little billboards that spread across the top or bottom of a Web page and have links to the advertiser's site. The are the most common unit of Web advertising, but costs range wildly. Interactive Advertising Bureau (IAB) introduced suite of four standard ad sizes to improve efficiency & ease of planning/buying/creating online media.

B*uttons* are small versions of the banner that often look like an icon and usually provide a link to an advertiser's home page. The cost is less than banners because take up less space.

Technologies include Shockwave, Eyeblaster, Flash, etc. *Rich-media advertising* includes graphic animations and ads with audio and video elements that overly the page or float over the page. *Rich mail* allows graphics, video, and audio to be included in e-mails.

Sponsorships & Search Engines

Sponsorships allow corporations to sponsor entire sections of a publisher's Web page or single events for a limited period of time, usually calculated in months. Companies are given extensive recognition on the site. The sponsor's brand is often integrated with publisher's content.

Example: IBM sponsorship of Super Bowl web page

Search engine marketing allows advertisers to pay search engines to display their banners only with relevant keywords. *Meta ads (or keyword advertising)* are advertisements displayed on the results page of a search, specific to the searched item.

Example: if the user searches for "digital camera," meta ad displays camera shop name.

Classified & E-mail Advertising

Classified ads offer *free* classified advertising opportunities because they are typically supported by ad banners of other advertisers. Many sites are sponsored by search engines or local newspapers. This is an excellent opportunity for local advertisers.

E-mail advertising is one of fastest growing and most effective forms of Internet advertising. *Viral marketing* is Internet version of WOM advertising via e-mail. Responsible e-mail advertising is personalized, targeted, graphically sophisticated, and sent from established companies or brands with the recipient's permission. The marketer's efforts are focused on customer retention and relationship marketing, rather than prospecting. Response e-mail is not *spam* (electronic junk mail that is unsolicited).

The Pros of Internet Advertising
●Truly interactive medium.
●Enormous audience.
●Immediate response.
●Highly selective targeting.
●Proximity to purchase.
●Affluent market.
●Provides in-depth information.
●Rapidly growing industry.
●Reaches B2B users.
●Advertorials.
●Virtual storefront.

The Cons of Internet Advertising
●Medium is untested.
●May never offer mass-media efficiency.
●Targeting costs.
●Slow downloads.

●Security and privacy.
●Global marketing limitations.

Measuring the Internet Audience

Ad request is an opportunity to deliver an advertising element to a website visitor. It is the simplest measurement of Internet advertising efficiency. The number of ad requests can be translated into CPM form.

Click rate (or click-through rate) occurs when a visitor moves the mouse pointer to a Web link and "clicks" on the mouse button to get to another page. Marketers are measuring the frequency with which users try to obtain additional information about a product by clicking on an advertisement. The number of clicks on an ad divided by the number of ad requests that can be tabulated in CPM form to measure cost efficiency.

Cookies are small pieces of information that get stored on your Web browser when you load certain websites. They keep track of whether a certain user has ever visited a specific site and allows the site to give users different information according to whether or not they are repeat visitors.

Buying Time and Space on the Internet

Pricing Methods
●Banner ads are typically billed on a cost-per-thousand basis determined by the number of page requests.
●Selective space may be purchased in a search engine's information categories and subcategories, and costs are tiered according to thousands or millions of page requests per month.
●Keyword purchases are available on major search engines and may be purchased individually or in packages.
●Click-throughs are charged when a user actually clicks on the ad banner to visit the advertiser's home page.
●Affiliate marketing programs charge a percentage of the transaction cost, when a customer uses e-commerce to purchase products.

Buying Time and Space on the Internet

Consumer targeting on the Internet is very cost intensive because it is difficult to find and reach specific consumers. Problem facing most Internet marketers is how to get enough reach from their Internet advertising. Most advertisers work through *ad networks*, which act as brokers for advertisers and websites by pooling hundreds or thousands of Web pages together and facilitating advertising across these pages. A drawback is that advertising is much more difficult to monitor. With the growth of the overseas online market, the key to business success in the 21st century will be to encompass Internet marketing that appeals to the whole world.

Other Interactive Media

CD-ROM Catalogs and Magazines
●Marketers like CD-ROM format because of its high-quality and versatility.
●CD-ROM also being used as a sound and video catalog that can be connected via modem to its source & used to make online transactions.

Kiosks
●Used around the world to relay information and services, such as paying bills, buying stamps, retrieving government information, etc.
Interactive TV
●Advertisers are currently experiment with this form of advertising because most experts believe it will be several years before one system emerges as preeminent and grows to any significant reach.
●Current barriers include costs, equipment, and technology.